Department of Agriculture and Fisheries

BUSINESS PLAN 2004–05

April 13, 2004

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1. MESSAGE FROM MINISTER AND DEPUTY MINISTER

It is with pleasure that we present the 2004–05 Business Plan for the Department of Agriculture and Fisheries. The plan describes the challenges facing our client industries, agriculture and fisheries, and identifies the priorities that will help the department and industry address these challenges and seize opportunities. The priorities are also in line with the Government's broad objectives and priorities and with the department budgetary allocation.

A notable development of 2003-04 was the signing of the Canada-Nova Scotia Implementation Agreement for the Agriculture Policy Framework (APF). The Canada-Nova Scotia Implementation Agreement for the APF sets a long-range, strategic framework for agriculture. It establishes a common action plan for international competitiveness and growth by centering on five strategic pillars. These strategic pillars will guide the agriculture activities of the department in 2004-05 and beyond.

The marine fisheries in Nova Scotia continues to perform well posting record landed values and exports. The department will work with industry and government partners to maintain this strong performance and address challenges through the 2004-05 priorities.

We are committed to providing the necessary support to enable the department to meet the priorities as set out in the 2004-05 Business Plan.

Honourable Chris d'Entremont
Minister

D.J. Graham
Deputy Minister

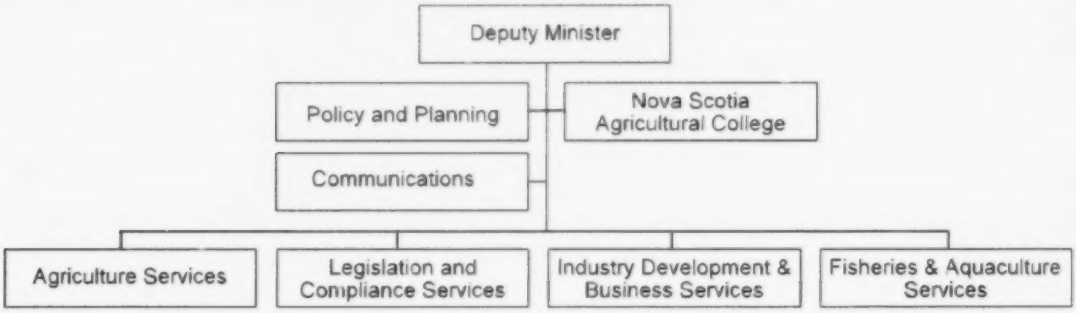
2. MISSION

To foster prosperous and sustainable agriculture and fisheries industries through the delivery of quality public services for the betterment of rural and coastal communities and of all Nova Scotians.

3. PLANNING CONTEXT

The Department of Agriculture and Fisheries has a legislated mandate to promote, support and develop the agricultural and fishing industries, recognizing that these two sectors are economic engines of Nova Scotia's rural and coastal communities. The department is structured to service the needs of industry consisting of four broad service areas, a centralized policy and planning division, communications, and the NS Agricultural College.

NS Agriculture and Fisheries Organizational Structure



Agriculture Services provides regional agricultural services; land protection; environmental management including integrated pest management; 4-H and rural organizations; agricultural awareness; industry development programs; business risk management; crop and livestock insurance; and orderly production and supply of major farm products. AgraPoint International Inc. is an alternative service delivery mechanism operating at arms-length from government. It was established in 2000 to provide technical advice to the agriculture industry. A team of experts provide agricultural development and consulting services to agri-businesses and associations in areas including livestock, horticulture and field crops and integrated pest management.

Fisheries and Aquaculture Services provides advisory, coastal zone management and field services to the recreational and commercial fisheries. It also provides assistance with development of innovative technologies and manages the aquaculture, inland fisheries and rockweed resources.

Legislation and Compliance Services licenses fish plants/ buyers, meat processing, retail food outlets and restaurants, fur and game farms, and oversees activities related to food and consumer safety, as well as on-farm quality evaluation. It is also responsible for monitoring and enforcing compliance with departmental regulations.

Industry Development and Business Services integrates marketing, product and quality development, business development and economic services, and two business development agencies: the Farm Loan Board and the Fisheries and Aquaculture Loan Board.

Policy and Planning provides corporate support to departmental policy and planning activities, including legislative/ regulatory development, in fulfillment of the department's mission and broad government priorities. It is also responsible for the administration of the Freedom of Information and Protection of Privacy Act, the Records Management and Occupational Health and Safety Program.

Communications provides ministerial and departmental communications support including media relations.

NS Agricultural College (NSAC) provides education and training to the agricultural, agri-food and aquaculture industries. Working in co-operation with industry and government, the NSAC is a centre of agricultural expertise throughout Atlantic Canada.

3.1 Employees and Locations

The department, including the NSAC, has a total staff complement of 512.6 full time equivalents (FTE). Staff are located in Halifax, Truro, Kentville, Pictou, at two fish hatchery sites in Queen's and Antigonish Counties, and in regional agriculture and fisheries offices around the province.

3.2 Value of Industry

Agriculture and fisheries have been identified as vital economic contributors in the province's Economic Growth Strategy, "*Opportunities For Prosperity*." These two primary sectors, together with the food manufacturing industry employ 30,000 Nova Scotians. Another 44,000 Nova Scotians are employed in food distribution and service industries. At the time of the last Census of Agriculture (2001) there were 3,923 enumerated farms operating in the province. Farm cash receipts for 2003 have been projected at $418.7 million. The agri-food sector inclusive of processing contributes $690 million in value added to the provincial GDP. The preliminary value of fish landings for 2002 was $731 million. Altogether our industries (primary fishing, primary agriculture, seafood products preparation and packaging and other food manufacturers) reported record exports of $1.406 billion in 2003.

3.3 Challenges and Opportunities

The department will continue to address external pressures related to the environment, industry growth, food safety, and education and training. The signing of the Canada-Nova Scotia Implementation Agreement for the Agricultural Policy Framework, in 2003, represents a milestone for addressing the major challenges impacting the agriculture and agri-food sector. The following captures the major challenges that will be addressed in the 2004-05 business plan.

Environment: Environmental issues related to water, air and soil quality continue to present significant challenges. As part of its commitment to climate change, the department is working with industry, government agencies and academia to coordinate initiatives aimed at mitigating green house gases. The emphasis is on the identification and promotion of practical and economically feasible air quality management systems which simultaneously maintain or enhance soil and water resources. Resource conflicts, particularly related to offshore oil and gas development and the fishery, also present challenges that must be addressed if the two sectors are to co-exist.

The department recognizes the importance of responding to these and other environmental concerns and is working with industry to balance development with environmental and social responsibility. Progress was made in a number of areas in 2003-04, notably in water and farm nutrient management, climate change research and environmental assessments for agricultural and aquaculture farms. These efforts are long-term and will require innovative solutions through applied research, new technology and adaptation of best practices.

Legislative initiatives and associated policies, such as the federal Species At Risk Act, the Marine Protected Areas under the federal Oceans Act, and the provincial Endangered Species Act are part of a growing regulatory climate in which agriculturists, aquaculturists and fish harvesters must operate and which can impact access to marine species, harvesting grounds, and farm lands. The department must monitor the impacts of these legislative/ regulatory developments and work with industry stakeholders to develop adaptation strategies and bring forward industry concerns to the appropriate forums.

Illegal introductions of non-native species are creating challenges for the sportfishery. Non-native species, such as smallmouth bass, are able to out compete native species of trout and landlocked salmon for available food and habitat resources. While smallmouth bass were put into 9 lakes, there are 178 lakes with confirmed unauthorized introductions and an additional 49 reported but unconfirmed. All of the currently 78 chain pickerel populations are illegal introductions. Such unauthorized introductions diminish angling opportunities for native species particularly in areas where trout habitat is marginal but where, in the absence of competitor species, trout did very well.

Industry growth and development : Agriculture and fisheries are recognized as foundation industries and play a key role in advancing the Government's broad economic growth agenda,

"Opportunities For Prosperity". The industries work in a dynamic business climate affected by increasing regulations, changes in tax regimes, shifting consumer trends, trade issues and international marketing. NS's agri-food and seafood businesses have had to respond to new market developments, such as the European Union's ban on Genetically Modified Organisms products and requirements for food certification/ standards, and the US Bio-security Measures. As well, markets are seeking diversified products, such as organics and convenience foods, and improved customer service. The challenge is to remain competitive in face of such forces which tend to drive up costs of production and impact profit margins. NS can respond to these challenges by building on its reputation for high quality, safe food, its commitment to environmentally responsible resource development and its efforts to develop customer-driven products through innovation.

While the wild fishery continues to drive the economies of our coastal areas, traditional marine resources are fully utilized and certain species, such as cod, are in decline. The department continues to work with stakeholders to improve quality and add value to the fish and shellfish that are harvested. Aquaculture offers development opportunities for many coastal regions; however, public concern over environmental impacts, together with fish and shellfish disease, are straining this sector. As well, the current process to move an aquaculture site application through the various stages toward final approval is complex and lengthy, which impedes development of the sector. The approval system needs to be made more efficient with a reduced turn around time for processing applications. Significant investment has been made to development of new farmed species, such as cod and halibut, and Nova Scotia leads the country in this regard. The next challenge is to attract capital investment that will enable commercialization of these new aquaculture species.

In September 2003, Hurricane Juan cut a swath of destruction through Nova Scotia's fishing villages and farming communities. The heaviest damage tracked from Halifax to Pictou including Truro and surrounding areas. The storm also damaged operations in Northern Colchester but to a lesser extent. Natural disasters, such as hurricanes, flooding, drought and pest infestation are unpredictable but are part of ongoing challenges faced by our client industries. Departmental business risk management programs can help offset some of the losses incurred by natural disasters.

Food Safety issues intensified in 2003-04 due to concerns with Bovine Spongiform Encephalopathy (BSE). Markets and consumers seek assurances that the food they purchase is safe and of high quality. To respond to this challenge, the department must address issues of production and product standards, food labeling and traceability, monitoring and inspection, bio-security protocols, food handling education, and analytical testing. Implementing food safety programs under the Canada-Nova Scotia Implementation Agreement for the APF, as well as an integrated Food Safety System, will enable Nova Scotia to brand its food products as meeting standards of quality and safety and will sharpen its competitive edge in domestic and export markets. Demand for inspection of eating establishments has increased significantly in the

Halifax Regional Municipality (HRM). This is due to the rapid growth of new restaurants in the area as a result of an increase in HRM population. Meeting this growing inspection requirement is expected to continue through 2004-05 creating pressure on limited staff and resources.

Education and training will continue to be a focus for 2004-05 particularly as the Government addresses labour market needs through the *Skills NS Framework* initiative. This initiative will provide ongoing opportunities for Nova Scotians to keep their skills current and responsive to changes in the labour market. The NS Agricultural College has an important role to play in providing quality education and training to fill growing employment opportunities in the agriculture and food industry; however, it is contending with a number of challenges, including declining student enrollment and aging infrastructure, which are creating significant fiscal pressures. Universities operate in a competitive environment vying to attract as many students as possible to its programs, and keeping tuition and other student costs attractive for students is a major consideration. Potential recruits are also attracted by research and classroom facilities, as well as residential amenities and other student services.

In 2002-03, the NSAC developed a strategic plan, *"Looking Outward – Embracing Change"*, to address these and other challenges, as well take advantage of emerging opportunities including internationalization, environmental and life sciences. Development of academic programs to address emerging trends requires interdisciplinary and inter-institutional approaches, along with partnership arrangements with other universities and industry.

4. STRATEGIC GOALS

Agriculture and Fisheries is committed to supporting the Government of Nova Scotia's corporate goals and strategic priorities that link to the mandate of agriculture and fisheries:

- health care – as it relates to supporting healthier Nova Scotians through safe food supply;
- learning is succeeding – recognizing that education is the cornerstone of a strong economy and building on Skills NS Action Plan;
- building greater prosperity – working closely with business and labour to achieve maximum benefit from our many natural advantages and building on *"Opportunities For Prosperity"*;
- fiscal responsibility and accountability – achieving sound fiscal management;
- protecting what Nova Scotians value – as it relates to sustainable resource development and achieving a balance between development and environmental integrity.
- good internal management – accountability and performance management; quality policy analysis/ development with appropriate legislative framework; human resource management; health, safety and well-being; a learning organization.

In accordance with its mission and legislated mandate, the department will strive to achieve:

1. Sustainable and environmentally responsible development of Nova Scotia's agriculture and fishing industries;
2. A competitive business climate that encourages economic growth and job creation in Nova Scotia's rural and coastal communities;
3. Orderly development of agriculture, aquaculture and fisheries through a regulatory regime which supports business and sector growth, and which ensures consumer confidence and food safety;
4. Globally competitive NS workforce through education, training, research and community services;
5. Public services that are accountable and serve to meet identified industry needs.

5. CORE BUSINESSES

The department delivers programs and services that can be categorized under four broad core business areas:

- sustainable resource management,
- industry development and growth,
- responsible governance,
- education and life long learning.

These core businesses encompass a range of operational functions that are part of ongoing activities of the department and are critical to meeting the department's mandated mission. The following describes the major functions under each core business, together with brief overviews of programs and delivery activities.

5.1 Sustainable resource management - balances industry development with environmental and social responsibility through applied research, technology transfer, generally accepted management practices, and industry/ public awareness.

Departmental activities in this core business are designed to move our agriculture, aquaculture and fishing industries closer to a state where the three principals of sustainability – economically viable, environmentally sound and socially acceptable -- are in balance. Major functional areas are:

- Agriculture resource stewardship and field services,
- Water resource management,
- Aquaculture development and extension services,
- Inland fisheries resource management,
- Coastal zone management.

Agriculture resource stewardship encompasses a suite of programs and services that focus on sustainable resource management. Environmental Management addresses resource protection and agricultural best management practices on-farm and delivers the environmental initiatives identified under the Canada-Nova Scotia Implementation Agreement for the APF, including Environmental Farm Planning, and Nutrient and Manure Management. Land Protection is responsible for maintenance of over 17,000 hectares of dykelands and dyke structures, which preserve productive agriculture land. Integrated Pest Management administers and manages regulations aimed at pest control including control of noxious weeds. The work of this division is supported by five regional offices which provide an important frontline link between the department and industry for the delivery of services. These regional offices also provide timely information back to departmental managers on a host of issues impacting the farming community.

Water quality and availability are growing areas of environmental concern. Consecutive seasons of drought conditions in the past have raised the awareness of water issues for the agriculture sector. Departmental programs assist farmers address water management issues based on findings from environmental farm plans. The department also cooperates with its federal counterpart, Agriculture and Agri-Food Canada on implementation of federal water initiatives such as the proposed National Water Supply Expansion Program (NWSEP). The NWSEP is a $60 million federal initiative to improve the capacity of agriculture producers to deal with drought situations through an expanded water supply. The program will provide funding assistance for infrastructure and strategic studies aimed at addressing long-term solutions to water supply problems.

Agriculture and Fisheries is responsible for aquaculture development. The sector offers significant potential for growth but is facing growing public concerns concerning environmental impacts and animal health issues. The department has taken a proactive role in the development of an 'aquaculture environmental monitoring plan', which is a key tool for ensuring sustainable development and management of aquaculture. Development and extension staff provide technical expertise to clients and work directly with industry and other government agencies on research initiatives that address environmental and development issues.

Through its Inland Fisheries Division, the department addresses environmental and habitat impacts on freshwater resources. This work is carried out in close association with stakeholder associations and other government agencies. Staff conduct anglers surveys, biological studies on lakes and streams, field and extension work, as well as public education activities aimed at raising awareness of inland conservation issues. These activities enable the department to determine fishing effort, assess stocks and make resource management decisions. Staff also collaborate with the Department of Natural Resources on enforcement of sportfish regulations, an activity that is well received by the sportfishing community.

The department is involved with multi-jurisdictional forums and community groups to address environmental issues in the coastal zone. One such initiative is the Gulf of Maine Council on the Marine Environment. The council was established in 1989 by the governments of Nova Scotia, New Brunswick, Massachusetts, New Hampshire and Maine to foster cooperation in the Gulf of Maine watershed. The council's mission is to maintain and enhance environmental quality in the Gulf and to ensure that existing and future generations use the resource in a sustainable fashion.

5.2 Industry development and growth - focuses on NS's rural and coastal communities by investing in industry stability, new economic opportunities and strategic development partnerships.

Major functional areas are:

- Integrated risk management for the agriculture sector,
- Farm investment and agriculture development,
- Credit and financing services,
- Marketing/ trade services,
- Product development and innovation,
- Business development/economic analyses,
- Commercial fisheries development and field services,
- Freshwater fish stocking for the recreational fishery.

Business Risk Management Programs are delivered under the Canada-Nova Scotia Implementation Agreement for the APF and include the Canadian Agricultural Income Stabilization Program (CAIS) and Production Insurance. Together, these programs are designed to address income losses due to uncontrollable events, such as natural disasters and animal disease, as well as provide support to enhance farmers' capacity to manage risk. The programs are jointly funded at 60/40 federal/ provincial, thereby leveraging provincial investment for the optimal benefit of NS's agriculture industry.

The Farm Investment Fund and the Agri-Food Industry Development Fund are strategic investment tools aimed at supporting entrepreneurial and marketing initiatives, innovation, business development, food and farm safety, responsible resource management, and agriculture awareness. Primary producers, agri-businesses and industry associations can access cost-shared funding through these programs. The Technology Development 2000 Program invests in applied research in various disciplines supporting the development and adaptation of agricultural technologies and knowledge that will enhance the competitive position of the NS agri-food industry.

Credit and financing services are available to the agriculture and fisheries industries through the Farm Loan Board and the Fisheries and Aquaculture Loan Board. The loan boards provide long-term credit at fixed interest rates, and counseling services on lending matters. The New Entrants Program, under the Farm Loan Board, is designed to attract new farmers to the industry and

address industry renewal. Specific loan programs are available to industry to deal with market opportunities and challenges. The Fisheries and Aquaculture Loan Board provides loans for the purchase of commercial fishing vessels and equipment, as well as for aquaculture capital investment.

NS seafood products enjoy world class recognition and are exported to markets around the globe. The province's agriculture sector has been diversifying and increasing its market penetration with products such as wild blueberries, cranberries and apples. Total seafood and agri-food exports attained a record level of $1.406 billion in 2003.

The department works closely with industry to address marketing and trade needs and offers a range of services including market research and intelligence, trade mission support, market advice and investigation, and development of market opportunities. Staff collaborate with federal/ provincial and private sector partners on marketing and promotional campaigns directed at international and domestic markets. Trade policy and issues are becoming increasingly complex and the department works with industry and government agencies, at national and international levels, to address matters such as new US cross-border regulations directed at bioterrorism and which have significant implications for NS seafood.
The Taste of NS Restaurant Program and Taste of NS Quality Food Program are marketing partnerships with industry to brand NS food products and promote NS as a food destination for the tourism trade. The programs are highly successful and will play a key role in the development of broader branding initiatives under the Canada-Nova Scotia Implementation Agreement for the APF and the provincial government's Brand NS initiative.

Product development and quality evaluation programs are designed to encourage primary and secondary producers in the agriculture, aquaculture, and fishing industries to produce new and value-added products and systems. Staff provide professional support and assist seafood and agri-food businesses investigate new processes, technologies, packaging and products, as well as address barriers to commercialization. Funds are leveraged with funding from federal and business sources.

The department provides business development and statistical/economic services. Activities focus on development of alliances and partnerships across the market chain, provision of interactive business processes and delivery of technical business resources and training. A key component of the department's business development role is to provide industry with strategic and tactical support to address renewal and increase competitiveness in domestic and export markets. This includes provision of industry strategies and risk assessments, delivery of a business library targeted to client needs and development of business and investment prospectus on identified growth opportunities.

NS's commercial fishery continues to post record landed values ($731 million in 2002) due mainly to a strong shellfish sector. The department actively defends the interests of NS at

federally-led resource management and allocation discussions. It monitors activities regarding offshore oil and gas development and provides information on fisheries and industry concerns to managers of the energy sector. Staff also work with federal counterparts and industry stakeholders on the development of non-traditional fisheries, which offer potential for additional economic activities in coastal communities. Eight fisheries field staff located in coastal communities throughout the province provide single window access to departmental programs and frontline input on industry issues.

The Fisheries Innovations Program provides seed money to community and industry groups for new development and infrastructure projects in fisheries harvesting technologies, fish processing, aquaculture and coastal community infrastructure. Program funding is leveraged with funds from industry and community sources. Innovation and an entrepreneurial spirit are behind the success and renewal of NS's boat building sector. In a four year span (1998 to 2002), annual sales of fishing boats and pleasure crafts increased 60% to $80 million annually; total exports increased three fold to $45 million; direct employment in the sector increased 60% to 880 skilled, full-time jobs; spin-off employment increased 42% to 740 skilled, full-time jobs. The industry is leading edge in the adoption of new technology in vessel construction. In addition to construction of fishing vessels, it has diversified into construction of pleasure craft largely for the export market.
The department's two fish hatcheries produce trout that are used to stock urban and rural lakes throughout the province and to help maintain the economic activity generated by recreational anglers. The trout fishery has an economic impact valued at $40 annually, out of a total sporfishery valued at $85 million annually.

Aquaculture has a potential to generate around $100 million in farm gate production and create jobs in coastal areas. Farm gate production was valued at $28.5 million in 2002. There are 422 sites in Nova Scotia. Major aquaculture species include mussels, oysters, marine plants, trout, and salmon. Development and extension staff work with aquaculture operators to investigate opportunities for new species development, such as halibut and cod.

5.3 Responsible governance - focuses on the orderly development of the industries together with food and consumer safety and on-farm quality evaluation.

Major functions include:
- Licensing of fish plants and buyers, retail food outlets and restaurants,
- Issuance of agricultural permits and licenses (fur and game farms), and farm registration,
- Licensing and management of the rockweed resource,
- Licensing and leasing of aquaculture,
- Enforcement of regulations,
- Inspections and evaluation of food quality and safety,
- Monitoring and diagnosis of animal health and disease prevention,
- Coordination of regulated marketing boards for the agriculture sector.

The orderly development of the agri-food and seafood sectors requires a regulatory environment that enables business development, establishes a level playing field, and is not unnecessarily burdensome for business operators. At the same time, it must be directed to protecting consumer safety and maintaining public confidence throughout the food supply chain. The department is responsible for licensing, leasing, and issuing of permits for agriculture, aquaculture, rockweed harvesting, and fish buying and processing. There are 2600 registered farms, 285 fish processing plants, 435 fish buyers, 422 aquaculture sites, and 6,000 retail food outlets and restaurants in Nova Scotia. The fur (mink) sector has experienced strong growth and there are 135 registered fur farms. Rockweed harvesting is conducted by two companies, one of which is the major player, and has invested heavily in marine plant research and innovative technology.

The department delivers an inspection and compliance function in the areas previously mentioned. This function is aimed at guarding against illegal activity in the seafood business, ensuring consumer safety and the integrity of the food supply, and minimizing impacts to the environment from farming and aquaculture activities.
Public awareness of food and consumer safety has intensified. The department addresses product quality throughout the food chain through its Food Safety Program, Meat Inspection Program and Laboratory Services Program. Staff carry out inspections of restaurants, and food processing and retail establishments. Staff also provide training to industry and community groups on proper food handling to minimize the risk of food-borne illnesses. Other animal health issues do not have implications for consumers but can have serious economic consequences for farmers. The department's disease prevention and management staff, together with veterinary and laboratory services, provide advice, diagnostic and analytical assessments on a broad range of animal health issues.

The department is responsible for the coordination of regulated marketing boards for the agriculture sector and carries out these activities through the Natural Products Marketing Council (NPMC) under the *Natural Products Act* and *Dairy Industry Act*. Ten marketing boards are established. The boards are producer elected and the NPMC delegates or regulates authority to them specific to their farm product(s). The NPMC is a regulatory and supervisory body, a major role of which is to balance industry interests with the broader public interest. It acts to stimulate and improve production and supply of regulated products and advises the government on policy and governance issues.

5.4 Education and life long learning - focuses on sustaining expertise and excellence in NS's agricultural, agri-food and aquaculture industries, preparing Nova Scotians for a global labour market through teaching, research and community services, and youth development.

The department, through the NS Agricultural College, offers a broad range of post secondary educational programs, training and research for the agriculture and aquaculture industries. The NSAC is the centre of agricultural research and innovation for the region, having

the unique mandate for providing research and education in applied life sciences and agriculture for Atlantic Canada. Major focus areas for academic and applied research include climate change, horticulture, organic agriculture, animal husbandry, product quality enhancement, and water, soil and farm waste management. The NSAC houses the Organic Agriculture Centre of Canada, which works in collaboration with colleges and universities across Canada. Although a relatively small institution, the NSAC has earned national and regional recognition for its ability to attract research funding. It ranks in the top third of Canadian universities in research intensity, and leads in research in the Atlantic region alongside Dalhousie University. The NSAC is projecting receipt of $4.4 million in competitively-funded research dollars for 2003-04. In 2004-05, over 60 post-graduate students are pursuing advanced education and research training, most in partnership with industry. These and other activities are vital for stability and sustained growth in NS's agricultural and aquaculture sectors.

AgriTECH Park is a business development site mandated to support growth, development and innovation in the agriculture industry. Positioned as 'Atlantic Canada's Bio-Economy Village, AgriTech focuses on commercialization of research and development initiatives; knowledge brokering to create new value in the agri-food sector including new product development, services and technologies; and public and private sector industry support services including business planning, market research and statistical analysis.

The 4-H program is a youth development program focusing on leadership and skill development and provides rural youth life-long skills. Established 82 years ago, the program remains popular with rural youth. In 2003-04, 2400 Nova Scotians ranging in age from 7 to 21 years old were members of 4-H. This along with 900 adult volunteer leaders comprised the program. The program seeks to enhance understanding and knowledge of NS's agriculture industry through hands-on experiences and mentors youth in developing a range of life skills, such as public speaking, community activism and volunteerism, networking and team building. 4-H members also act as ambassadors for the farming community and are active in raising public awareness of the economic and social importance of the industry to NS. In 2003-04, the program was expanded to include an aquaculture 4-H component. The NS 4-H Council has strong working linkages with the Canadian 4-H Council and other provincial 4-H Councils.

5.5 Corporate Support

Corporate services are composed of the offices of the Minister and Deputy Minister together with policy and planning services which provide centralized support for policy research and development, business and long-range planning, legal and legislative, Occupational Health and Safety, records and information management, and administration of the Freedom of Information and Protection of Privacy Act. Communications provides a range of specialized external and internal communications services including media relations. Human resources, information technology and financial services are provided through the Resources Corporate Services Unit.

6. PRIORITIES

A number of priorities relate to the Canada-Nova Scotia Implementation Agreement for the APF. This umbrella agreement encompasses five strategic pillars: environment, food safety and quality, renewal, science and innovation, and business risk management. References are made to specific strategic pillars under the relevant priority. As well, priorities align with the Government's strategic goals and priorities.

6.1 Core Business #1: Sustainable resource management

Priorities under this core business will focus on assisting the agriculture and fishing industries move toward improving management practices to reduce and mitigate impacts to the environment from development activities.

6.1.1 Priority -- Implement 'environmental' initiatives under the Canada-Nova Scotia Implementation Agreement for the Agriculture Policy Framework

A suite of programs aimed at addressing a range of environmental issues are available to the agriculture sector under the 'environmental' pillar of the Canada-Nova Scotia Implementation Agreement for the APF. More specifically, in 2004-05, the department will continue to deliver the Environmental Farm Plan (EFP) Program with the NS Federation of Agriculture. The department has established a target of 20% registered farms completing EFPs by 2004-05. The EFP builds on scientific research, innovative technology and adoption of beneficial practices to achieve environmental targets for agricultural soils, water, air and bio-diversity. It provides cost-funded assistance to farmers for assessment of various environmental factors including nutrient, manure and on-farm water management. The Farm Investment Fund promotes adoption of beneficial management practices on farms to address environmental risks identified in the EFP process.

6.1.2 Priority – Implement strategies and initiatives designed to address environmental issues in the fishing sector, particularly aquaculture and the sportfishery.

The aquaculture industry faces challenges related to public concerns over potential environmental impacts from fish farming. As well, fish health issues have intensified. In 2004-05, the department will continue implementation of the Environmental Monitoring Plan (EMP) developed in conjunction with the Aquaculture Association of NS. The EMP is an environmental management tool that establishes baseline data and a monitoring system for tracking effects on the environment from aquaculture activities. It is anticipated that 25 to 30 farms will be assessed in the 2004/05. The department has committed funding to the program. The department will also continue to participate in the development of a National Aquatic Animal Health Program for the aquaculture sector. This is an initiative led by the federal Department of Fisheries and Oceans with participation of the provinces.

The department currently has six sportfish management areas throughout the province designed to provide increased sportfishing access and allow for conservation through special regulations on fishing gear, as well as size and bag limit restrictions on fish caught. In 2004-05, the department will increase the number of sportfish management areas. It will seek to sign a Memorandum Of Understanding with the federal government targeting freshwater habitat. The department is also considering a new license stamp to be used specifically for habitat-type projects and delivered in cooperation with recreational fishing and community groups. Angler feedback is being sought during the 2004 fishing season. The intent is to implement the stamp for the 2005 fishing season.

The department will continue to provide timely information on fisheries issues to managers of the energy sector to assist in the orderly co-existence of the two industries and to support sound research into the impacts of seismic testing on marine life.

6.2 Core Business #2: Industry growth and development

NS's agriculture and fisheries industries are evolving and adapting to broad trends -- moving from a focus on primary production toward increased diversity, value-added, and exports. Research and innovation are key drivers of change in NS's resource industries. In these dynamic times of change, the department recognizes the importance of stability in the business environment to better enable industry to manage risk and plan for the long-term. Priorities under this core business will focus on industry stability and growth through market competitiveness, innovation and diversification.

6.2.1 Priority -- Implement the 'Business Risk Management' initiatives under the Canada-Nova Scotia Implementation Agreement for the Agriculture Policy Framework

This priority focuses on improving long-term stability and self-sufficiency in agriculture. A new generation of Business Risk Management programs, under the Canada-Nova Scotia Agreement for the APF, are designed to reduce and manage risk impacting income and production. These programs encourage producers to take proactive steps to mitigate and reduce business risks and manage them more strategically. They also provide broader crop coverage than did the former programs.

The Canadian Agricultural Income Stabilization (CAIS) Program integrates stabilization and disaster protection into a single program, helping producers protect their farming operations from small and large drops in income. CAIS is a whole-farm program available to eligible farmers regardless of the commodities they produce. In 2004-05, the department will continue to promote producer participation in the CAIS program and participate on the CAIS Federal/ Provincial Technical Working Group in the development of the program.

Production Insurance complements the CAIS Program by providing insurance against production losses caused by natural perils which are beyond the producer's control. Insured perils include wind, hail, drought, excess moisture, excess heat, frost, winter injury, pollination failure, and insect and disease infestation. Production Insurance is available to most commercially grown crops in NS. Premiums are cost-shared by government (federal and provincial) and the producer.

6.2.2 Priority -- Strengthen industry development and growth

This priority will build on the strengths of NS's agriculture and fishing sectors and promote growth through access to fishery/ aquaculture resources, identification of new opportunities, product diversification and innovation, branding, increased domestic and export sales, and business investment.

Access to fishery/ aquaculture resources

The department will aggressively advocate for NS's interests and ensure that the province receives a fair share of marine resources. To this effect, it will participate on government/ industry resource advisory groups, on national policy initiatives addressing the oceans and fishery resources, and forums addressing issues of resource access and management. The department will also work with Fisheries and Oceans Canada to improve efficiencies in processing aquaculture site applications and reduce turn around times for approvals.

Identification of new opportunities

The department will support and facilitate industry efforts to identify and develop new growth opportunities through market research, economic analyses, investment prospectus building and other targeted business development and communications initiatives. It will also continue to provide links between departmental programs and those of provincial and federal partners such as the Business Retention and Expansion Program with NS Business Inc.(NSBI) and the Canada-Nova Scotia Implementation Agreement for the APF 'Renewal and Brand Canada programming' with Agriculture and Agri-Food Canada.

Product diversification and innovation

The department will focus on product and quality development initiatives designed to increase overall industry competitiveness, market diversification and access including new growth areas such as organics, natural foods, agri-tourism and higher end value-added products. The department will also address barriers to commercialization and the provision of technical and tactical support to new products and quality development initiatives.

Under the Canada-Nova Scotia Implementation Agreement for the APF, the department will foster an innovation climate aimed at supporting new opportunities for processors, producers and agri-businesses. The focus will be on improving the coordination of processes from production through processing and marketing to consumers at the retail level, and ensuring that strong links are established throughout the value chain. The department will also continue to support research

and development of new life-science products including functional foods, nutraceuticals, and alternative energy technologies using plant-based sources.

Branding

The department will work with the Office of Economic Development and other provincial partners in the ongoing development of the Brand NS initiative. Continued provincial partnerships with the Taste of NS Programs are key domestic and international branding vehicles and will complement other government/ industry promotion and marketing efforts for apples, beef, fish and seafood, and other value-added products. The development of regionally-based partnership programs, designed to provide industry with increased access to retail and food service markets, will be a priority over the coming year. Key to the foregoing will be the delivery of a comprehensive national strategy aimed at branding Canada as a world leader in food safety and quality, innovation and environmentally responsible production, as well as enhancing market development in key markets, and addressing trade issues.

Exports

Exports offer opportunities for growth. NS's proximity to the US market gives it a clear advantage and the majority of NS's products, particularly seafood, are sold to American markets. However, the department is assisting industry to diversify and expand markets opportunities. In 2003-04, marketing strategies were directed toward North East USA, European Union, Japan and China. In 2004-05, the department will continue to develop these priority markets. Although NS has a relatively small internal market, there are opportunities to increase sales of NS seafood and agri-food products domestically. The department will work with public sector purchasing agencies and groups, such as hospitals and schools, with special attention directed to increasing sales of NS agri-food and fisheries products.

As well, the department will continue to work with the boat building sector to diversify construction opportunities and markets. While continuing to fill the requirements of the commercial fishery, boat builders are expanding into the construction of pleasure crafts and aggressively pursuing new markets. Funding support for this initiative is made available through the Canada/ NS Economic Diversification Agreement, which provides support for innovation and international marketing.

Business Investment

The department will continue to provide investment assistance, such as credit and financial services, through the NS Farm Loan Board and the Fisheries and Aquaculture Loan Board. In addition, the boards will provide specialized investment and lending services through the New Opportunities Loan Programs for agriculture, the New Entrants to Agriculture Program, and, in concert with NSBI, a credit facilities program targeted to exports for the boat building sector. The department will implement an investment plan designed to attract investment and support business retention and growth in the agri-food and fisheries sectors. Elements of the plan for 2004-05 include development of targeted investment promotion initiatives; development of

collateral materials and an 'investment tool box'; research and design of three investment prospectus documents; participation in the provincial immigration strategy.

The department through existing programming, as well as programming under the Canada-Nova Scotia Implementation Agreement for the APF, will provide investment funding aimed at enhancing economic viability, farm and food safety and environmental stewardship in the agriculture sector.

6.3 Core Business # 3: Responsible governance

The challenge of meeting consumer and market expectations for food safety will continue to be a primary focus for the department in 2004-05 as it works with industry to meet new regulatory requirements governing food and meat production.

6.3.1 Priority -- Finalize implementation of the new integrated Food Safety Program

The department moved forward in 2003-04 on implementation of a new Food Safety System which will incorporate revised meat inspection requirements, on farm food safety, enhanced laboratory services, and improved training of food safety and inspection personnel. The department will continue its efforts in this area in 2004-05. This initiative will support and compliment the food safety and quality initiatives under the Canada-Nova Scotia Implementation Agreement for the APF designed to assist industry with the development and implementation of government-recognized food safety and quality systems throughout the agri-food continuum.

In response to issues related to BSE, the department will also assist the agriculture industry comply with new federal regulatory measures aimed specifically at beef products.

The department will continue to work with Department of Health to finalize new health legislation which will enhance and consolidate existing food safety legislation within one distinct part under the Act. It is anticipated that the new Health Protection Act will come into effect in 2004-05 and with its proclamation, new food inspection regulations will be proposed.

6.3.2 Review and revise departmental statutes, regulations and policies

A review of the Fisheries and Coastal Resources Act is ongoing. Preliminary work was undertaken in 2003-04 to commence a review of the Agriculture and Marketing Act. These efforts will continue through 2004-05. As well, the department will complete regulatory reviews for several farm products governed by commodity boards and implement a marketing plan and regulations for a new commodity board for cattle under the Natural Product Act. It will also implement the revised fish processors and fish buyers licence policy aimed at streamlining the administrative process and providing for requirements in areas such as live lobster buying activities. This priority highlights the need to work with other departments, governments, and

stakeholders to ensure that the department's legislative, regulatory and policy framework is compatible with government, industry and society priorities. It is also in line with the requirement to reduce 'red tape' and to create a regulatory environment that is conducive to business development.

6.4 Core Business # 4: Education and life long learning

The NS Agricultural College is a partner in the implementation of the Government's 'Skills NS Framework'. The college, which is celebrating its centennial in 2004-05, continues to play a key role in the development of NS's agriculture sector. In 2002, the NSAC developed a long-range strategic plan, *"Looking Outward - Embracing change"* to guide its activities as it embarks in a new direction to better meet the emerging needs of the agriculture industry. As well, the department's 4-H program plays a key role in youth skill development and agriculture awareness and will continue its work to develop life-long skills in young Nova Scotians.

6.4.1 Priority -- Implement the NSAC new strategic plan

The NSAC's strategic plan, "*Looking Outward - Embracing Change*" sets the stage for addressing modern challenges including an evolving labour force, marketing and recruitment, academic programming, research, internationalization and community service. The college has also initiated a process to create a new name that will reflect this new strategic direction.

In 2004-05, NSAC will continue to implement its strategic plan with an emphasis on activities designed to reverse an enrolment decline. Strategic actions include:

- implement an integrated marketing plan for more effective communication of NSAC's new 'brand' which will include a new name, logo and other public image presentations,
- utilize the newly created Enrolment Management Council to guide campus plans and activities that have bearing on student life from recruitment to post-graduation,
- establish a PhD program in agriculture science in association with Dalhousie University,
- begin the process of capital restoration to focus on renovating, modernizing and expanding student residences to present day standards,
- develop closer ties with the NS Community College (NSCC) and integrate selected program with those of NSCC to revitalize NSAC offerings and make them more attractive to non-agriculture students;
- increase foreign student enrolment and place increased emphasis on faculty involvement in research and post-graduate training;
- work toward a rational governance model that is effective and which can be implemented for the betterment of stakeholders and the NSAC community.

6.5 Internal Management

6.5.1 Priority – Implement organizational management initiatives

In 2004-05, the department will finalize and obtain approval for the department's Standard for Operational Records and begin a phased-in implementation of the document as the standard for managing departmental records. It will also initiate development of a Standard for Operational Records for the NS Agricultural College that will be put forward for approval in fiscal 2005-06.

7. BUDGET CONTEXT

Estimated Budget Expenditures by Core Business			
Program and Service Area	2003–04 Estimate	2003–04 Forecast	2004–05 Estimate
	$thousands	$thousands	$thousands
Ordinary Revenues	749	727	763
TCA Purchase Requirements	520	696	313
Net Program Expenses			
Senior Management	803	817	835
Policy & Planning	757	753	764
Agriculture Services	18,811	21,478	18,663
Legislation & Compliance Services	5,234	5,206	5,362
Industry Development & Business Services	4,513	4,297	4,533
Fisheries & Aquaculture Services	3,303	3,341	3,421
NS Agriculture College	6,697	6,637	7,218
Total Net Program Expenses	40,118	42,529	40,796
Provincially funded staff (FTEs)	511.6	507.6	512.6
FTE's			
Senior Management	4.0	3.9	4.0
Policy & Planning	11.0	10.8	11.0
Agriculture Services	69.5	68.3	70.5
Legislation & Compliance Services	81.7	81.8	82.7
Industry Development & Business Services	57.3	52.3	57.3
Fisheries & Aquaculture Services	51.0	49.9	50.0
NS Agriculture College	237.1	240.9	237.1
TOTAL FTE's	511.6	507.9	512.6

8. HUMAN RESOURCES

The Human Resources Division of the Resources Corporate Services Unit will continue to assist the department in coordinating the Succession Planning Initiative. This includes providing ongoing consultative support to managers, as well as analytical and planning support to the Department through out the process.

9. INFORMATION TECHNOLOGY

In addition to daily operational efforts to maintain and upgrade the department's information technology infrastructure, the Resources IT Division of the Resources Corporate Services Unit is working with various sectors of the department to implement key business initiatives. These include:

- the student information system for the NSAC,
- a farm registration system,
- replacement of licensing and enforcement systems in the fisheries sector,
- replacement of the food safety system,
- replacement of the crop insurance underwriting and accounting system.

Progress on some of these systems is dependent on funding availability; however business analysis and planning will continue to position the department when funding is available.

10. OUTCOMES/ PERFORMANCE MEASURES

Core Business 1: Sustainable Resource Management				
Outcome	**Measure**	**Data**	**Target-2004/05**	**Strategies to Achieve Target**
Viable agriculture, fisheries and aquaculture sectors	Percent of registered farmers participating in the NS Federation of Agriculture's Environmental Farm Plan initiative	Year 2000/01 4 %	20%	Accelerate Environmental Farm Planning (EFP) in accordance with the broader Agriculture Policy Framework Implementation Agreement. The EFP builds on scientific research and innovative technology, and incorporates nutrient management planning, revised manure management guidelines, and on-farm water management.
	Dollar value and number of research projects awarded	Year 2001/02 $ 1.8 million for 128 research projects	Increase value & # of research projects	Continue to work with industry and other stakeholder partners to identify and undertake research of both applied and theoretical focus. Implement the new Canada Research Chairs aimed at addressing water resource management and continue NS Agricultural College (NSAC) research on climate change. Work with partner organizations to address water, soil and climatic changes impacting on agriculture, aquaculture, and rural communities. Continue life-science research at NSAC.
	Value of gross aquaculture output	Year 2001 $40.0 million	% Increase	Implement the Environmental Monitoring Plan for the aquaculture sector in conjunction with the Aquaculture Association of NS. Participate on development of a new National Aquatic Animal Health Program for the aquaculture
	Dollar value sport fishing activities to the province % change in sport fishing licences sold	Year 2000 $85.0 million 4% increase from 1999	% Increase value % Increase	Finalize federal/ provincial MOU on freshwater habitat. Increase number of Sportfishing Management Areas. Work with national efforts to promote sports fishing, establish national marketing campaign with industry partners

Core Business 2: Industry Growth and Development				
Outcome	**Measure**	**Data**	**Target 2004/05**	**Strategies to Achieve Target**
Economic growth and prosperity in rural and coastal communities	Dollar value total capital expenditures agriculture and fisheries (million)	Year 2000 $ 91.8 ($41. agriculture, $50.8 fisheries)	% Change / increase total capital expenditures	Continue to provide lending services through the Farm Loan Board and the Fisheries and Aquaculture Loan Board.
	Value agriculture production (million)	Year 2000 $408,233.	% Change increase	Continue to advocate for NS's interests in resource access forums.
	Value of fish landings (million)	$647,673.	% Change increase	Implement the new 'Investment Plan for NS's Agri-food and Fisheries Sectors'.
	Primary Value of agriculture and fisheries (million)	$1,055,906.	% Change increase	Continue industry diversification/ innovation initiatives to develop new and value-added products, as well as advance life-science projects.
	Value boat building (million)	$50.	% Change increase	Continue to build on the success of NS's boat building industry and increase export sales.
	Value of shipments food manufacturers (million)	Year 1999 $1,837,281.	% Change increase	Continue to partner with government and industry on NS Brand initiative
	Food manufacturing value- added (million)	$670,266.	% Change increase	Assist farmers to identify new business opportunities through the Business Retention and Expansion Program. This is done in conjunction with NS Business Inc.
	Value-added shipments ratio	36.5:1	Increase in ratio	Implement program under the Canada-Nova Scotia Implementation Agreement for the Agriculture Policy Framework (APF) fostering research and innovation.
	Nova Scotia total value-added food manufacturing industry as a % of Canada	3%	Increase in %	
	Value fish and fish exports (million)	Year 2000 $1,086.8	% Change increase	Continue development and implementation of federal and provincial market/ trade strategies with industry stakeholders targeting North East USA, European Union, Japan and China
	Value food, beverages, & agriculture products (million)	$166.0	% Change increase	Continue initiatives to increase sales to domestic markets, with emphasis on public sector purchasing agencies and groups.
	Total value exports agriculture and fisheries (million)	$1,252.8	% Change increase	

Core Business 3: Responsible Governance				
Outcome	**Measure**	**Data**	**Target 2004/05**	**Strategies to Achieve Target**
Responsible & responsive legislative environment	Number participants in food safety training courses	Year 2001 2, 829 professional, 761 volunteer food handlers, and 35 milk graders	Sustain or increase # participants	Finalize implementation of an integrated food safety system. Assist with the implementation of the 'Food Safety' pillar under the Canada-Nova Scotia Implementation Agreement for the APF ;
	Number of site inspections	11, 615	Increase #	
	Number of consumer complaints requiring investigation of food safety issues	432	Decrease #	
	Revision/review of department's legislative/ regulatory framework	Year 2000/01 1(minimum) *Marshland Conservation Act*	4 completed	Continue to work with industry, and applicable governments to develop, implement, and revise legislative/ regulatory instruments. Continue to implement the recommendations of the Red Tape Reduction Regulatory Review Report

Core Business 4: Education, training, skill development and life long learning				
Outcome	**Measure**	**Data**	**Target 2004/05**	**Strategies to Achieve Target**
Highly-skilled, internationally competitive workforce.	Ratio of career opportunities to number of graduating students	Year 2000 3:1	Sustained or increased ratio	Continue to provide quality academic programs that reflect the needs of a competitive employment environment. Continue a recruitment program for students in targeted markets where the educational programs offered by the NSAC meet the needs of the student and perspective employers.
	Number & dollar value of applied and theoretical research awarded	Year 2000 287 projects with value of $ 2.3 million	Sustained or increase in # and dollar value	Implement NSAC 's new strategic plan 'Looking Outward - Embracing Change.' Continue to enhance research capacity through participation in the Canada Research Chairs Program and other partnerships in support of research professorships.
	Number of faculty involved in research	32	Sustained or increase	Establish new researcher positions in aquaculture nutrition, organic farming and fruit by-product development. Continue to provide academic excellence in recruiting and retaining graduate students in agriculture and aquaculture disciplines.
Community leadership capacity in youth as an investment for leaders of the future	Number of 4H members % change between pre and post knowledge survey of learning events / opportunities	Year 2001 2500 25% increase	Sustain # Increase %	Promote 4-H as the organization of choice for Rural youth through many avenues including a partnership with the Canadian 4-H Council. Continue extension training services to new and existing growers, students and professional development groups.